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CENTRAL INTELLIGENCE BULLETIN

22 October 1960

DAILY BRIEF

I. THE COMMUNIST BLOC

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II. ASIA-AFRICA

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Mali: Tension between anti-French extremists and less radical elements in the neutralist government of Mali is reported threatening the position of President Modibo Keita, a relative moderate who is trying to reconcile the two sides. At present, the principal issues in dispute concern Mali's future relations with France and the French Community and the amount of aid Mali should accept from the Sino-Soviet bloc. Should the extremists succeed in establishing predominant influence, Mali would probably move rapidly toward a close alignment with

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Laos: Souvanna Phouma has authorized an immediate attack against Pathet positions in Phong Saly Province in reaction to Pathet Lao violation of the cease-fire there. This could lead

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		App 5) (
	25X1	to at least a temporary halt in negotiations with the Pathets, since a cease-fire was one of the preconditions Souvanna set before beginning substantive talks on 13 October. Souvanna says he is planning to follow-up his "house arrest" of Kong Le by transferring the captain from command of the 2nd Paratroop Battalion to a spot in the Ministry of Defense	
		where he can keep an eye on him. It is unlikely that Kong would agree to any move that actually threatened his authority over the paratroops, although he might go along with some purely nominal arrangement.	25X1
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		Japan-Korea: The Ikeda government's stand against full renewal of the repatriation agreement with North Korea, which	25X1
_	25X1	expires on 12 November, is rapidly becoming a major elec- tion issue. It now seems likely that Tokyo will bow to strong	
		domestic pressure and go a considerable way toward meeting North Korean demands for an unqualified one-year extension. Such a move would antagonize South Korea and would counter the	
		recent trend toward friendlier relations between Tokyo and Seoul. This could jeopardize the success of their negotiations	
	051/4	which are to resume on 25 October.	25X1
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LATE ITEM

*Austria: Resignation of the Coalition cabinet after failure of the People's party and the Socialist party to agree on the 1961 budget within the time set by the constitution portends another long struggle to reconstitute a government. Following the May 1959 elections, it took ten weeks for the coalition parties to agree on a new government because of serious differences over financial policy, and the divergence has steadily become more marked. Inability to reconstitute the coalition, which has governed Austria since the end of the war, would seriously affect the political stability of the country and increase the difficulty of preserving its neutrality in the face of Soviet pressure. Chancellor Raab's decision to retire from politics leaves the question of a successor unclear because of the close balance of power between the two coalition parties in parliament.

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DAILY BRIEF

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Approved For Release 2003/02/27: CIA-RDP79T00975Ad05300450001-3 Extremists Reported Pressing for Control of Mali Regime

Tension between anti-French extremists and less radical elements in the neutralist government of the Mali Republic recently has become so great that the position of President Modibo Keita, a relative moderate, may be threatened,

threatened, 25X1
Modibo, who in-25X1

dicated recently to the American charge in Bamako that a cabinet reshuffle would occur soon, is said to be trying to reconcile the two factions, which are quarreling especially over Mali's future relations with France and the French Community and the amount of aid Mali should accept from Sino-Soviet bloc countries. If the situation reaches a showdown, however, Modibo may yield to the radicals, led by Interior Minister Madeira Keita and strongly entrenched in Mali's only political party. In this event, Mali would probably move fairly rapidly toward a close alignment with Guinea—admired greatly by the extremists—and, like that country, welcome large—scale bloc assistance.

A conviction common to nearly all Mali officials that France was responsible for the breakup in August of Mali's former federation with neighboring Senegal has so far impeded the establishment of stable relations with Paris. Numerous statements and actions by Mali's leaders—particularly since their formal acknowledgment in late September of the federation's dissolution—have pointed to Mali's complete dissociation from the Community. Nevertheless, Modibo and his supporters have seemed to share Paris' hope that something of the former relationship might be salvaged, at least on the economic plane.

At the same time, however, the preference of most Mali leaders for a Marxist and collectivist approach to their country's economic and political problems makes them especially receptive to blandishments from the bloc. The Malians have announced their intention to establish diplomatic relations with a number of bloc countries—including the USSR and Communist China—and various economic and technical assistance arrangements are apparently under study. These include reported Czech offers to build an oil refinery and an international airport. A six-man Soviet economic delegation now is in Bamako—as is a US aid mission.

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· The Situation in Laos

LSouvanna Phouma, dissatisfied with Pathet Lao observance of the cease-fire, has authorized an immediate attack against Pathet Lao positions in Phong Saly Province. During the past few days Laotian Army troops have carried out guerrilla actions in southeastern Phong Saly as a prelude to operations to retake two posts lost to the Pathets. A resumption of fighting in the province could lead to at least a temporary halt in negotiations with the Pathets, since a cease-fire was one of the preconditions Souvanna set before beginning substantive talks on 13 October.

Souvanna says he is planning to follow-up his "house arrest" of Kong Le by transferring the captain from command of the 2nd Paratroop Battalion, Kong's power base, to a spot in the Ministry of Defense, where he can keep an eye on him. It is unlikely that Kong would agree to any move that actually threatened his authority over the paratroops, although he might go along with some purely nominal arrangement.

Information from General Ouane that Souvanna was requesting, through the Soviet delegation now in Vientiane, the return of the International Control Commission (ICC) is apparently without substance. Hammarskjold's personal representative in Laos, Zellweger, has revealed that Souvanna is interested in increasing the UN presence there, at least in part to forestall Communist bloc pressure for a return of the ICC. Souvanna particularly wanted military observers who would be available to investigate any North Vietnamese incursions or border incidents that Hanoi could seize upon as a pretext for intervention.

According to Zellweger, Souvanna has instructed his top negotiator with the Pathet Lao that he will not countenance any Pathet effort to undermine the UN mission in Laos. The Pathets might well raise the issue, since the Communist bloc argues that the 1954 Geneva agreements form the basis for peace in the former Indochina states, that the ICC should be in Laos to police these international agreements, and that the UN has no legal role in Laos. Bloc interest in the return of the ICC stems from the fact that prior to its adjournment in 1958, the ICC limited the government's efforts to check Pathet subversion.

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Japanese Government May Concede to North Korean Terms
On Repatriation Issue

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The repatriation of Korean residents in Japan to North Korea is rapidly becoming a major issue in the campaign for the forthcoming Japanese elections. The present Japanese - North Korean agreement expires on 12 November -- about a week before elections are expected -- and Pyongyang wants an unconditional one-year extension. Tokyo up to now has opposed this, but Foreign Minister Kosaka has become isolated in the cabinet in his efforts to maintain that stand. He wants to accelerate the departure of repatriates -- about 43,000 have left since last December -- and to set a deadline, possibly of six months, for completion of the program. His objective has been to improve chances for a general settlement of differences with South Korea.

The top leaders of the ruling Liberal-Democratic party (LDP), the press, and LDP election candidates under pressure from prefectural and municipal assemblies throughout Japan are insisting that the government change its position. Intense popular resentment against the 600,000 Koreans in Japan stems from racial considerations, their high rate of crime, and the cost of public assistance to them.

Prime Minister Ikeda apparently believes that a convincing LDP victory in the elections is more important than improved relations with South Korea, and he will probably undertake to modify the government's stand. Such a move would antagonize South Korea and counter the recent trend toward friendlier relations between Seoul and Tokyo and jeopardize their negotiations—to be resumed on 25 October—for an over-all settlement.

North Korea hopes to destroy any chance for improved Japanese - South Korean relations and is therefore not likely to compromise. To give the appearance of flexibility, however, the North Koreans have intimated they would be willing to speed up the pace of repatriation, but a North Korean representative stated on 20 October that such a speed-up would be discussed only if Japan accepted North Korea's position on extension.

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